

City of Detroit

CITY COUNCIL

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TO: Cynthia Bell, Director
Detroit Workforce Development Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: May 4, 2007

RE: 2007-2008 Budget Analysis

19.

Attached is our budget analysis regarding your department's budget for the upcoming 2007-2008 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Roger Short, Finance Department Director
Pamela Scales, Budget Department Director
Tanya Stoudemire, Budget Department Team Leader
Kandia Milton, Mayor's Office

Detroit Workforce Development (21)

FY 2007-2008 Budget Analysis by the Fiscal Analysis Division

Summary

The Detroit Workforce Development Department is General Fund Agency. However, the department is 98% funded by grants. The recommended 2007-2008 budgeted appropriations total \$53.1 million, which represents a \$2.2 million decrease from the current fiscal year budget. The Department's net tax cost to the City is \$2,000, which is the same as the current fiscal year.

The Mayor does not recommend any change in the number of positions in the proposed 2007-2008 budget; the number of positions will remain at its 95 grant funded positions.

2006-2007 Surplus/(Deficit)

There is no projected deficit or surplus for the 2006-2007 fiscal year.

Overtime

There is \$150,000 of budgeted salary overtime expenditures in the Mayor's 2007-2008 Proposed Budget, which is equal to the overtime budgeted in fiscal year 2006-2007. As of March 31, 2007, the Department has expended \$112,599 on overtime with a remaining balance of \$37,401 for fiscal year 2006-2007.

Personnel and Turnover Savings

There are no projected personnel or turnover savings for fiscal year 2007-2008 for the Detroit Workforce Development Department.

Following is information by appropriation comparing budgeted FY 2006-2007 positions, March 31, 2007 filled positions and FY 2007-2008 recommended positions:

<u>Appropriation/Program</u>	<u>Budgeted Positions FY 2006-07</u>	<u>Filled Positions 3/31/2007</u>	<u>Mayor's Budget Positions FY 2007-08</u>	<u>Over/(Under) Actual to 06/07 Budget</u>	<u>Mayor's Recommended Turnover</u>
Detroit Workforce Development Department (21):					
11637 Work First Training Related	95	88	0	(7)	\$ -
11961 Work First FY07	0	0	0	0	\$ -
218599 DWDD Reallocation Clearing FY	0	0	95	0	\$ -
218601 Work First FY08 Training Related	0	0	0	0	\$ -
21XXXX Leave of Absence	0	0	0	0	\$ -
21XXXX Worker's Comp.	0	0	0	0	\$ -
21XXXX Unmatched Positions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$ -</u>
TOTAL	<u>95</u>	<u>88</u>	<u>95</u>	<u>(7)</u>	<u>\$ -</u>

Proposed Layoffs and Position Changes

The Mayor's 2007-2008 Proposed Budget does not include any layoffs or position changes for the Detroit Workforce Development Department.

Significant Changes in Funding by Appropriation

<u>Appro.</u>	<u>Program</u>	
12236	DWDD Reallocation Clearing	Funds for this program in the amount of \$1.0 million have been included in the Mayor's 2007-2008 Proposed Budget.
12251	Work First FY08	The Mayor's 2007-2008 Proposed Budget is \$21.3 million, which is a decrease of \$1.6 million from fiscal year 2006-2007. The former appropriation was 11961 – Work First FY07.
12252	Work First State GF/GP FY08	The Mayor's 2007-2008 Proposed Budget is \$4.4 million, which is a decrease of \$0.3 million from fiscal year 2006-2007. The former appropriation was 11963 – Work First State GF/GP FY 07.
12253	Food Stamp Only FY08	The Mayor's 2007-2008 Proposed Budget is \$0.8 million, which is a decrease of \$0.7 million from fiscal year 2006-2007. The former appropriation was 11965 – Food Stamp Only FY07.
12254	Food Stamp Only SS FY08	The Mayor's 2007-2008 Proposed Budget is \$23,778, which is a decrease of \$1,421 from fiscal year 2006-2007. The former appropriation was 11966 – Food Stamp Only SS FY07.
12255	Employment Service FY08	The Mayor's 2007-2008 Proposed Budget is \$1.8 million, which is a decrease of \$0.1 million from fiscal year 2006-2007. The former appropriation was 12019 –Employment Service FY07.
12256	Trade FY08	The Mayor's 2007-2008 Proposed Budget is \$391,007. This is a new appropriation and was not budgeted for in fiscal year 2006-2007.
12257	Job Access Reverse Commute FY08	The Mayor's 2007-2008 Proposed Budget is \$1.5 million, which is no change from the amount in fiscal year 2006-2007. The former appropriation was 12023 – Job Access Reverse Commute FY07.
12258	One Stop Operation GF/GP FY08	The Mayor's 2007-2008 Proposed Budget is \$0.5 million, which is no change from the amount in fiscal year 2006-2007. The former appropriation was 12026 – One Stop Operation GF/GP FY07.
12259	WIA Statewide	The Mayor's 2007-2008 Proposed Budget is

	Capacity Building FY08	\$72,000. This is a new appropriation and was not budgeted for in fiscal year 2006-2007.
12260	WIA Adult FY08	The Mayor's 2007-2008 Proposed Budget is \$5.2 million, which is a decrease of \$0.9 million from fiscal year 2006-2007. The former appropriation was 12027 – WIA Adult FY07.
12261	WIA Dislocated Worker FY08	The Mayor's 2007-2008 Proposed Budget is \$7.9 million, which is an increase of \$1.6 million from fiscal year 2006-2007. The former appropriation was 12043 – WIA Dislocated Worker FY07.
12262	WIA Incumbent Worker FY08	The Mayor's 2007-2008 Proposed Budget is \$204,931, which is a decrease of \$8,028 from fiscal year 2006-2007. The former appropriation was 12044 – WIA Incumbent Worker FY07.
12265	WIA Administration FY08	The Mayor's 2007-2008 Proposed Budget is \$1,758,163, which is an increase of \$3,460 from fiscal year 2006-2007. The former appropriation was 12048 – WIA Administration FY07.
12266	General Fund Account – Late Fees FY08	Funds for this appropriation discontinue in the Mayor's 2007-2008 Proposed Budget. This eliminates \$2,000 from the 2006-2007 Redbook.
12359	Promoting Responsible Fatherhood	Funds for this program in the amount of \$0.5 million have been included in the Mayor's 2007-2008 Proposed Budget.
12263	WIA Youth FY08	The Mayor's 2007-2008 Proposed Budget is \$5.7 million, which is a decrease of \$1.4 million from fiscal year 2006-2007. The former appropriation was 12046 – WIA Youth FY07.
12264	WIA Youth Statewide FY08	The Mayor's 2007-2008 Proposed Budget is \$93,369, which is no change from the amount in fiscal year 2006-2007. The former appropriation was 12047 – WIA Youth Statewide FY07.

Detroit Workforce Development Department (21)

Budgeted Professional and <u>Contractual Services by Activity</u>	FY 2006-07 <u>Budget</u>	FY 2007-08 <u>Recommended</u>	Increase <u>(Decrease)</u>
Adult Client Services	547,121	1,008,286	461,165
Youth Services	30,075	39,714	9,639
Total	<u>\$ 577,196</u>	<u>\$ 1,048,000</u>	<u>\$ 470,804</u>

Significant Revenue Changes

Appropriation	Fiscal Year 2006-2007 Budget	Mayor's 2007-2008 Proposed Budget	Difference - This Year Over/Under Last Year
Work First	\$ 22,938,269	\$ 21,326,105	\$ (1,612,164)
DWDD Reallocation Clearing	-	1,000,000	1,000,000
Food Stamp Only	1,485,919	791,673	(694,246)
Food Stamp Only SS	25,199	23,778	(1,421)
Employment Service	1,882,271	1,771,467	(110,804)
Reemployment Service Initiative	235,468	-	(235,468)
NAFT-TAA	500,000	-	(500,000)
TRADE	-	391,007	391,007
Job Access Reverse Commute	1,500,000	1,500,000	-
One Stop Operations	500,000	500,000	-
WIA Adult	6,127,712	5,226,416	(901,296)
WIA Dislocated Worker	6,282,895	7,897,530	1,614,635
WIA Incumbent Worker	212,959	204,931	(8,028)
WIA Administration	1,754,703	1,758,163	3,460
WIA Youth	7,139,180	5,699,527	(1,439,653)
WIA Youth Statewide	93,369	93,369	-
WIA Statewide Capacity Building	-	72,000	72,000
Work First State GF/GP	4,665,752	4,390,715	(275,037)
Promoting Responsible Fatherhood	-	500,000	500,000
Total	55,343,696	53,146,681	(2,197,015)

Issues and Questions

1. How will the elimination of some programs and the inception of new programs benefit the citizens of Detroit?
2. How does this agency plan to stimulate the economy with trained citizens when employment opportunities are scarce?